## BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

### Opinions of the Court Below.

The opinion of the United States District Court for the District of Columbia was filed July 15, 1943. It appears at pages 26-31 of the Record. It has not been reported in full. The opinion of the Court of Appeals of the District of Columbia was filed August 7, 1944. It appears at pages 39-42 of the record and is reported in 62 U. S. P. Q. at 328, ~~144 Fed (2d)~~ ~~It has not appeared in the Federal Reporter.~~ 144 Fed.(2d) 542

### Jurisdiction.

The jurisdiction of this Court is invoked under Sec. 240(a) of the Judicial Code as amended by the Act of February 13, 1925, c. 229 (28 U. S. Code, Sec. 347). The judgment of the Court of Appeals for the District of Columbia which Petitioner seeks to have reviewed, was entered August 7, 1944 (R. 43).

### Statement of the Case.

The essential facts of the case are stated in the accompanying petition.

### Specification of Errors.

Petitioner will urge, if the writ of certiorari is issued, that the Court of Appeals of the District of Columbia erred in the following respects:

1. In holding that the Petitioner had a regular and established place of business in the District of Columbia within the meaning and intent of Sec. 48 of the Judicial Code. That section appears at page 2 of the accompanying petition.

2. In holding in effect that Petitioner was subject to service of process in the District of Columbia and that the service of the summons was sufficient.

3. In failing to hold that Respondents had not sustained the burden resting upon them to prove the jurisdictional facts.

4. In holding that the Rules of Civil Procedure authorize discovery in aid of jurisdiction.

5. In holding that the District Judge did not exercise his discretion to hear and decide Petitioner's motion upon affidavits, and in assuming the District Judge did not think he had power to direct the taking of depositions under the Rules of Civil Procedure.

## Summary of Argument.

The argument will follow the reasons relied upon in the accompanying petition (pp. 10-12).

# ARGUMENT.

## I.

**The decision of the Court of Appeals that Petitioner has a "regular and established place of business" in the District of Columbia within the purview of Sec. 48 of the Judicial Code so that it was subject to service of process there and (in effect) that it was properly served is in direct conflict with the decisions of this and many lower Federal Courts.**

*Tyler* v. *Ludlow-Saylor Co.*, 236 U. S. 723 (1915), the leading case, denied jurisdiction. Its facts corresponded to those in the instant case except that the services of the defendant's sales representative and his office expenses were shared by the defendant with another employer. The Trial Court regarded that office-sharing circumstance to be immaterial, but the Court of Appeals holds that because of it the *Tyler* decision does not apply (R., 40).

This is contrary to two decisions of this Court, *Chicago Car Heating Co.* v. *Gold Car Heating Co.*, 245 U. S. 631 (1917), and *Anchor Co.* v. *P. & M. Co.*, 258 U. S. 605 (1922), where the jurisdictional facts were closely similar to those in the instant case. In those cases the judgments of the District Courts denying jurisdiction were affirmed without opinion upon the authority of *Tyler* v. *Ludlow-Saylor Co.*, but the "office-sharing" circumstance upon which the Court of Appeals now relies to distinguish the *Tyler* decision was absent in both of those cases. It so appears upon examination of the records of the appeals. Clearly it was immaterial in the eyes of this Court that "another corporation shared an agent" with the defendant. More than

a majority of the members of the Court who sat in the two cases above cited also sat in the *Tyler* case.

The Court of Appeals (R., 40) also relies upon *Shelton* v. *Schwartz*, 131 Fed. (2d) 805. The Seventh Circuit Court of Appeals there (p. 808) distinguished the *Tyler* case on the ground that the plaintiff might rely not only upon Sec. 48 of the Judicial Code, but also on Sections 3 and 4 of Subdivision (d) of Rule 4 of the Rules of Civil Procedure providing for service upon managing or general agents, which rule was not in force when the *Tyler* decision was rendered. This was clear error because, first, subdivision (*e*) of Rule 4 directs that whenever a statute of the United States provides for service of a summons, service shall be made in the manner prescribed by the statute, and Sec. 48 specifically prescribes the manner of service in patent infringement suits (see accompanying petition, pp. 2, 3); second, Rule 82 forbids a construction of the rules which "extends or limits the jurisdiction" of the district courts "or the venue of actions therein"; and, third, this Court ruled in *Stonite Co.* v. *Melvin-Lloyd Co.*, 315 U. S. 561, that Section 48 is the *exclusive* provision controlling venue in suits of this character. No other provision can "dovetail" with it (p. 566). This led Chief Justice Eicher to say in his opinion in the District Court that he felt the *Stonite* decision had not been called to the attention of the Court of Appeals of the Seventh Circuit (R., 29).

That Court said also (131 Fed. 2d 809) of the *Tyler* case that there the place of business was a room "rented by another corporation" and the agent was employed by said "other corporation", but the Court did not ground its decision on that circumstance, as does the Court of Appeals here.

That Court's construction of the statutory phrase "regular and established business" is also contrary to numer-

ous decisions of the lower Federal Courts, some of which are cited under "Reason No. 1" in the accompanying Petition (p. 10). Many of them refer to and follow the *Tyler* case but in every one the defendant *alone* employed the sales representative and paid the expenses of the office bearing the defendant's name. Nevertheless it was held in all of them, on facts corresponding closely to those here, that the defendant's office was *not* a "regular and established place of business" within the meaning and intent of Section 48.

*Remington Rand* v. *Acme Card System Co.*, 71 Fed. (2d) 628 (C. C. A. 4th, 1934) cited by the Court of Appeals, is not to the contrary. The rule of the *Tyler* case was there set forth and approved. The Court sustained jurisdiction because of distinguishing circumstances not present here.

## II.

**The decision of the Court of Appeals is contrary to the meaning and intent of the statute (Judicial Code, Sec. 48; 28 U. S. C. A., Sec. 109).**

That meaning and intent is described and explained in *Bowers* v. *Atl. G. & P. Co.*, 104 Fed. 887; *Cheatham Electric Switch Co.* v. *Transit Co.*, 191 Fed. 727; *Winterbottom* v. *Casey*, 283 Fed. 518, 520; and in *Stonite Products Co.* v. *Melvin-Lloyd Co.*, 315 U. S. 561, where the *Bowers* and *Cheatham* cases are cited as authority. All of these cases hold that this statute is restrictive of jurisdiction in patent infringement suits. Its purpose was to prevent defendants from being attacked in distant districts where defense would be difficult and to resolve confusion and conflict of decision existing prior to the passage of the Act.

## III.

### The service of process was entirely insufficient.

Sec. 48 of the Judicial Code requires "service upon the agent or agents conducting" a regular and established business of the defendant in the District. There is no showing that Mr. Withers, who was served, was conducting defendant's business in the Washington office. His business was simply to solicit orders "in territory extending as far south of Washington as North Carolina" (R., 10). The Washington office was merely the place where he conducted his correspondence and did his clerical work (R., 10). He did not manage or control the activities of the other two men who used the office for the same purpose but were not sales solicitors and performed their duties wholly in the Government Departments (R., 8, 11, 12). The Court of Appeals was clearly mistaken when it held (R., 40) that they were salesmen who "not only take orders for the defendant's products in the District, but also in neighboring States".

Service on sales representatives or "managers" under circumstances closely similar to those in the instant case is insufficient.

> *Green* v. *C. B. & Q. R. R. Co.*, 205 U. S. 530;
> *Scheuerle* v. *One-Piece Lens Co.*, 241 Fed. 270;
> *Waterman Co.* v. *Parker Co.*, 100 Fed. 544.

## IV.

**The Court of Appeals did not apply the established rule that the burden of proof was on Respondents to show the jurisdictional facts.**

The Trial Court correctly so held, citing authority (R., 30). See also *Phillips* v. *Baker,* 121 Fed. (2d) 752; *Brennan* v. *United Fruit Co.,* 108 Fed. (2d) 710, 711; and *McNutt* v. *General Motors,* 298 U. S. 178, 189.

Respondents completely failed to furnish, or try to furnish, *any* evidence to make out a *prima facie* case of infringement in the District of Columbia, let alone sustain their charge by a preponderance of evidence in accordance with the rule above stated (see pp. 5, 6 of accompanying petition).

## V.

**Respondents were not entitled to discovery.**

Rule 26(a) provides for discovery only "by *leave* of Court *after* jurisdiction has been obtained". The Trial Court found "nothing in the Rules authorizing discovery in aid of jurisdiction" (R., 30). Other Federal Judges have held likewise. *Fox* v. *House,* 29 Fed. Supp. 673, 675 (E. D. Okla., 1939); *Petition of Ferkauf,* 7 Fed. Rule Serv. 537 at 540 (S. D. N. Y.).

The Court of Appeals (R., 40) holds that the Trial Court's interpretation of Rule 26(a) is error, quoting from Moore's Federal Practice a statement of what the author thinks the Court should "ordinarily" do. The statement is not authority for holding the Trial Court in error when

he refused leave as authorized by Rule 26(a) and in so doing "construed" it "to secure the just, speedy and inexpensive determination" of the action, as directed by Rule 1.

## VI.

**The Court of Appeals erred in holding that the Trial Court "did not exercise its discretion" on Petitioner's motion to dismiss.**

In his ruling as to discovery under Rule 26 (R. 30) Chief Justice Eicher did not specifically mention his discretion under that Rule, but it is not to be assumed that he did not exercise his discretion when he decided Petitioner's motion to dismiss on affidavits. It cannot be supposed that he was ignorant of Rule 43(e) and it was repeatedly called to his attention by the parties in briefs, memoranda and oral argument.

In deciding Petitioner's motion to dismiss on affidavits the Trial Judge followed a familiar practice long pursued in many similar motions under Sec. 48. (See *Wilson* v. *McKinney,* 59 Fed. (2d) 332 (9th C. C. A.); *Hoegger* v. *Lawson,* 35 Fed. (2d) 219; *Maw* v. *Northern Pump Co.,* 27 Fed. Supp. 808; *Gibbs* v. *Emerson,* 29 Fed. Supp. 811; and several of the cases cited in the accompanying Petition (pp. 10, 12).

The use of affidavits on preliminary motions has been discussed at length and approved in recent decisions. *Central Mexico Light & Power Co.* v. *Munch,* 116 Fed. (2d) 85, 87 (2d C. C. A. Judge Clark); and *Gallup* v. *Caldwell,* 120 Fed. (2d) 90, 93; *Victory Co.* v. *Manning,* 128 Fed. (2d) 415. (Judge Goodrich, 3d C. C. A.).

## VII.

**The Trial Court properly exercised his discretion and construed the Rules so as to "secure a just, speedy and inexpensive determination" of the action. (Rule 1).**

When the Trial Judge held that Petitioner did not have a regular and established place of business in the District of Columbia, an indispensable element of jurisdiction under Section 48, evidence relating to the locus of acts of alleged infringement became wholly immaterial and unnecessary, and the Court properly relieved the parties from the effort and expense of depositions which were useless.

The Court of Appeals itself holds that the action was brought in an inconvenient forum. The record supports the "belief that the non-resident plaintiffs sought the forum to secure procedural advantages" and the "belief that the matter can be better tried elsewhere" (R. 41), for Respondents alleged gratuitously that one of the patents in suit issued by decree of the District Court of the District of Columbia (R. 3), and asserted by affidavit that they sued Petitioner only after they were unable to find an office of the Pyrene Company, the maker of the alleged infringing goods, in the District. It is evident that Respondents were insistent upon bringing suit in the Court where they would have the advantage of its decision in their favor on the patentability of their invention.

The Pyrene Manufacturing Company has brought a declaratory judgment action to adjudicate the patents in suit in the Eastern District of Pennsylvania where Respondents reside (R. 17) and where the validity and scope of their patents can be determined with much less inconvenience and expense than in Washington. It is therefore

believed, with deep respect for the Court of Appeals, that an inquiry under the doctrine of *forum non conveniens*, with its attendant effort, delay and expense, is unnecessary, and that the Trial Court's disposition of the cause was correct and should be reinstated.

**It is urged, therefore, that the petition for a writ of certiorari be granted.**

Dated, November 1, 1944.

Respectfully submitted,

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